

# EXHIBIT H

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 301117966  
**Inspection Dates:** 12/01/2005 - 04/14/2006  
**Issuance Date:** 05/01/2006



**Citation and Notification of Penalty**

**Company Name:** Detyens Shipyards, Inc.  
**Inspection Site:** 1670 Drydock Ave., USNS Supply, Charleston, SC 29405

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The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury/illness resulting from an accident.

**Citation 1 Item 1a** Type of Violation: **Serious** *reported*

29 CFR 1915.12(d)(4)(i): The employer did not provide each employee with training before the entrant began work in confined or enclosed spaces or other dangerous atmospheres:

- (a) The employer did not provide at least one temporary labor employee with proper training before allowing him to work in the aft CHT room aboard the USNS Supply on about 11/22/05. The employee was tasked by the labor force shop to remove sewage from the deck of this space.

**Abatement Documentation is Required**

**Date By Which Violation Must be Abated:** 06/05/2006  
**Proposed Penalty:** \$ 2125.00

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See pages 1 through 3 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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**Citation 1 Item 1b** Type of Violation: **Serious**

*Abated*

29 CFR 1915.12(d)(2): The employer did not ensure that each employee entering a confined or enclosed space or other area with dangerous atmospheres was trained in accordance with those items specified in 29 CFR 1915.12(d)(2)(i) through (vii):

- (a) The employer did not ensure that a temporary labor employee who was required to work in the aft CHT room aboard the USNS Supply was trained to:
- \* Recognize the adverse health effects that may be caused by the exposure to a hazard; and
  - \* Understand the physical signs and reactions related to exposures to such hazards.

**Abatement Documentation is Required**

**Date By Which Violation Must be Abated:** 06/05/2006

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The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury/illness resulting from an accident.

**Citation 1 Item 2a** Type of Violation: **Serious**

29 CFR 1915.15(b): Work was not stopped when the conditions within a tested confined or enclosed space or other dangerous atmosphere changed:

- (a) Between 11/21/05 and 11/23/05 several labor force employees were required to work in the aft CHT room aboard the USNS Supply removing sewage material from the deck and open containers. Although an odor of rotten eggs (indicating the presence of hydrogen sulfide gas) was evidence that conditions had changed, the employer failed to stop work and remove employees from the space.

**Abatement Documentation is Required**

**Date By Which Violation Must be Abated:** 05/09/2006  
**Proposed Penalty:** \$ 2125.00

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**Citation and Notification of Penalty**

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**Inspection Site:** 1670 Drydock Ave., USNS Supply, Charleston, SC 29405

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**Citation 1 Item 2b** Type of Violation: **Serious**

*abated*

29 CFR 1915.15(c): A competent person did not visually inspect and test each space certified as "Safe for Workers" or "Safe for Hot Work" as often as necessary to ensure that atmospheric conditions within that space were maintained within the conditions established by the certificate:

- (a) Between 11/21/05 and 11/23/05 several labor force employees worked in the aft CHT room aboard the USNS Supply removing sewage material from the deck and open containers. Although an odor of rotten eggs (indicating the presence of hydrogen sulfide gas) was evidence that conditions had changed, the employer did not ensure that a competent person visually inspected and tested the space while employees performed this job to ensure that atmospheric conditions within the space were maintained within the conditions established by the marine chemist certificate.

**Abatement Documentation is Required**

**Date By Which Violation Must be Abated:** 05/09/2006

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**Citation and Notification of Penalty**

**Company Name:** Detyens Shipyards, Inc.  
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**Citation 2 Item 1** Type of Violation: **Other**

*abated*

29 CFR 1915.502(a): The employer did not develop and implement a written fire safety plan that covered all the actions that employers and employees must take to ensure employee safety in the event of a fire:

- (a) The employer did not develop and implement a written fire safety plan that covered all the actions that employers and employees must take to ensure employee safety in the event of a fire at the shipyard.

The fire safety plan must contain the following information:

- \* Identification of the significant fire hazards
- \* Procedures for recognizing and reporting unsafe conditions
- \* Alarm procedures
- \* Procedures for notifying employees of a fire emergency
- \* Procedures for notifying fire response organizations of a fire emergency
- \* Procedures for evacuation
- \* Procedures to account for all employees after an evacuation
- \* Names, job titles, or departments for individuals who can be contacted for further information about the plan

Date By Which Violation Must be Abated: 06/05/2006  
Proposed Penalty: \$ 0.00

*Suzanne M. Street*  
Suzanne M. Street  
Area Director

See pages 1 through 3 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

**U.S. Department of Labor**

Occupational Safety and Health Administration  
 Strom Thurmond Federal Building, Room 1472  
 1835 Assembly Street  
 Columbia, SC 29201-2453  
 Phone: (803)765-5904 FAX: (803) 765-5591



## INVOICE/ DEBT COLLECTION NOTICE

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**Company Name:** Detyens Shipyards, Inc.  
**Inspection Site:** 1670 Drydock Ave.,USNS Supply, Charleston, SC 29405  
**Issuance Date:** 05/01/2006  
**Summary of Penalties for Inspection Number** 301117966

<b>Citation 1, Serious</b>	= \$	<b>4250.00</b>
<b>Citation 2, Other</b>	= \$	<b>0.00</b>
<b>TOTAL PROPOSED PENALTIES</b>	= \$	<b>4250.00</b>

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To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to:

"DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions put on any check or money order for less than the full amount due and will cash the check or money order as if these restrictions or conditions do not exist.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

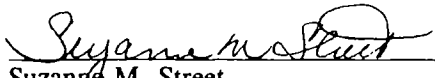
Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

**Interest.** Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is 2%. Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

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**Delinquent Charges.** A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

**Administrative Costs.** Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.

  
Suzanne M. Street  
Area Director

5/01/06  
Date

### **NOTICE**

The penalties assessed for this inspection already reflect reductions granted to the employer.

The original penalty was:           **\$5000.00**

The reduced penalty is:           **\$4250.00**